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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/777,717	02/12/2004	Christopher James Dawson	AUS920030842US1	5923
45371	7590	12/04/2006	EXAMINER	
IBM CORPORATION (RUS)			ALLEN, WILLIAM J	
c/o Rudolf O Siegesmund Gordon & Rees, LLP 2100 Ross Avenue Suite 2600 DALLAS, TX 75201			ART UNIT	PAPER NUMBER
			3625	
DATE MAILED: 12/04/2006				

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No.	Applicant(s)
	10/777,717	DAWSON ET AL.
	Examiner William J. Allen	Art Unit 3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) Responsive to communication(s) filed on 21 September 2006.
- 2a) This action is **FINAL**.                            2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) Claim(s) 1-12, 14-24 and 26-41 is/are pending in the application.
  - 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-12, 14-24 and 26-41 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on 12 February 2004 is/are: a) accepted or b) objected to by the Examiner.
 

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  - a) All    b) Some \* c) None of:
    1. Certified copies of the priority documents have been received.
    2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
    3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) Notice of References Cited (PTO-892)
- 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) Notice of Informal Patent Application
- 6) Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Prosecution History Summary***

Claims 1-12, 14-24, and 26-41 are pending and rejected as set forth below.

Claims 13 and 25 have been canceled per applicant's amendment filed 9/21/2006.

### ***Response to Arguments***

Applicant's arguments with respect to claims 1-12, 14-24, and 26-41 have been considered but are moot in view of the new ground(s) of rejection. Applicant's amendments have necessitated the new grounds of rejection.

### ***Claim Objections***

Claims 28 and 29 are objected to because of the following informalities: Claims 28 and 29, recite "the method of claim 2" and "the method of claim 4" respectively. The Examiner notes that these claims are actually in the grouping with independent claim 26, and should recite "the shopping token of claim 26" and "the shopping token of claim 28" respectively. Appropriate correction is required.

*Claim Rejections - 35 USC § 101*

1. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.
2. **Claims 26-36 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.**

Claims to computer-related inventions that are clearly nonstatutory fall into the same general categories as nonstatutory claims in other arts, namely natural phenomena such as magnetism, and abstract ideas or laws of nature which constitute “descriptive material.” Abstract ideas, Warmerdam, 33 F.3d at 1360, 31 USPQ2d at 1759, or the mere manipulation of abstract ideas, Schrader, 22 F.3d at 292-93, 30 USPQ2d at 1457-58, are not patentable. Descriptive material can be characterized as either “functional descriptive material” or “nonfunctional descriptive material.” In this context, “functional descriptive material” consists of data structures and computer programs which impart functionality when employed as a computer component. (The definition of “data structure” is “a physical or logical relationship among data elements, designed to support specific data manipulation functions.” The New IEEE Standard Dictionary of Electrical and Electronics Terms 308 (5th ed. 1993).) “Nonfunctional descriptive material” includes but is not limited to music, literary works and a compilation or mere arrangement of data. Both types of “descriptive material” are nonstatutory when claimed as descriptive material per se. Warmerdam, 33 F.3d at 1360, 31 USPQ2d at 1759. When functional descriptive material is recorded on some computer-readable medium it becomes structurally and functionally

interrelated to the medium and will be statutory in most cases since use of technology permits the function of the descriptive material to be realized.

Independent claim 26 fails to show imparted functionality and is merely drawn to a data structure (i.e. a *shopping token* containing information). As defined by Microsoft Press Computer Dictionary, Third edition, a token is “a unique structured data element that circulates continuously among nodes of a token ring”. Alternatively, a token may be considered “any non-reducible textual element in data that is being parsed”. In either case, claim 26 is directed to a disembodied data structure/data per se, which is considered non-statutory subject matter.

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. **Claims 1-9, 14-21, 26-33, and 37-38 are rejected under 35 U.S.C. 103(a) as being unpatentable over Albazz et al. (US 20020042872) in view of Conklin et al. (US 6141653).**

**Regarding claims 1 and 2,** Albazz teaches a system and method for automating contract negotiations and facilitating contractual activities pursuant to the agreed upon contract (see at least: abstract). Albazz further teaches *creating a contract between a buyer and a seller in an online transaction by means of a shopping token that contains a plurality of agreement terms* (see at least: abstract, 0016, 0085-0086). More specifically, Albazz creates a contract profile (analogous to the *created file* of claim 2) with the resulting agreed upon contract “locked” using digital signatures (see at least: 0025 [note the final 2 lines], 0097). Once approved by the negotiating parties and signed utilizing digital signature technology, the contract elements are linked, sealed, and saved (i.e. *responsive to the addition of digital signatures, saving the file as the shopping token*) at the seller’s e-commerce site or marketplace (see at least: 0088, 0097). [Note: The saved and locked contract that is executable constitutes a *shopping token*]. Albazz also teaches *wherein data in the shopping token cannot be cut and pasted from the shopping token* by locking the contract to prevent accidental or deliberate changes to the contract elements (i.e. *copy and pasting* [note applicant’s specification, Paragraph 14]) (see at least: 0016, 0086).

The contract *can be stored on a buyer computer, a seller computer, or a third party computer* (see at least: 0088), registered as a signed contract (see at least: 0097), and referenced whenever a buyer-seller transaction is Initiated. [The Examiner notes that because there are multiple contracts (see at least: 0011, 0106), and because the contracts are stored, registered, and referenced for use in buyer-seller transactions, the different contracts are thereby *indexed so that they can be distinguished* from one another].

Albazz teaches all of the above but does not expressly teach where it is *not necessary to check in and check out the file from the server computer* and does not teach the creation and use of files in *XML*, though Albazz does show compliance with *XML* and the creation of a contract profile (i.e. *file*) for an associated contract that is modifiable until approved and finalized (see at least: 0046, 0016, 0086).

In the same field of endeavor, Conklin teaches a multivariate negotiation engine for iterative bargaining (see at least: abstract). Conklin further teaches where it is *not necessary to check in and check out the file from the server computer* (see at least: abstract (note lines 18-25), col. 13 lines 61-63, col. 19 lines 29-38, col. 21 lines 39-45, col. 24 lines 1-41). Conklin provides a system operated at the provider's Internet site, the system maintaining internal databases that contain the history of all transaction, and allows buyers and sellers to return to the system to resume negotiations (see at least: abstract, col. 13 lines 61-63, col. 19 lines 29-38, col. 21 lines 39-45, col. 24 lines 1-41). Conklin further teaches where information transmitted in the

multivariate negotiation system may be in a variety of formats including HTML, Java, Java Scripting, or XML (see at least: col. 20 lines 45-49, col. 21 lines 32-36, col. 28 lines 23-29).

It would have been obvious to one of ordinary skill in the art at the time of invention to have included where it is *not necessary to check in and check out the file from the server computer* and the creation and use of files in *XML* as taught by Conklin in order to provide a negotiation engine for iterative bargaining that brings together participants with similar interests and further enables the creation of knowledgeable communities of commerce (see at least: Conklin, abstract (lines 1-4), col. 13 lines 58-60).

**Regarding claims 3-7, Albazz further teaches:**

*(3) adding a seller's personal information, a buyer's personal information, information regarding the good, and a plurality of terms to the file* (see at least: 0043-0044); The Examiner notes that main information elements in the business contract include a seller profile (*seller personal information*), a buyer profile (*buyer personal information*), traded goods and prices (*information regarding a good*), and terms and conditions.

*(4) presenting the terms to the buyer and determining whether the buyer and seller agree with the terms* (see at least: abstract (note lines 10-12), 0015, Fig. 7 (note "Post Contract Draft"));

*responsive to the determination that the buyer and seller agree with the terms, means for adding a buyer digital signature and a seller digital signature to the file to create a shopping*

*token* (see at least: 0025, 0043, 0097). The Examiner notes that the contract must be approved by both parties (see at least: Fig. 7).

*(5) responsive to the determination that the buyer and seller do not agree with the terms, means for accepting a modification to the terms* (see at least: abstract, 0039, Fig. 7 and 9).

*(6) wherein the shopping token is created after the buyer is aware of the delivery date* (see at least: 0043). The Examiner notes that the main elements further include delivery mechanisms and schedules (i.e. *deliver date*). Furthermore, these terms are agreed upon (and thereby the buyer is aware of the delivery schedule) before the contract is saved and stored (i.e. *the shopping token is created*).

*(7) wherein the shopping token may be configured so that the shopping token is not modifiable by the buyer or seller* (see at least: 0016, 0025, 0097).

**Regarding claims 8-9**, though Albazz teaches storing the contract as an enforceable contract with the seller (see at least: 0088), Albazz does not expressly teach *wherein the shopping token is stored on a third party computer and is accessible by the buyer and the seller* nor does Albazz teach where the terms included in the token contain *warranty information*. Conklin teaches a negotiations system operated at a system provider's (third party) site at which buyers and sellers gather to perform electronic negotiations. Both changes to the negotiated terms and accepted/finalized terms are stored in the system. Thereby, Conklin teaches *wherein the shopping token is stored on a third party computer and is accessible by the buyer and the seller* (see at least: abstract, col. 24 lines 1-41, col. 25 lines 12-20). Conklin also teaches negotiating terms including warranty information for a good (see at least: Fig. 28, col. 1 lines 41-

47, col. 30 line 66-col. 31 line 11). It would have been obvious to one of ordinary skill in the art at the time of invention to have included *wherein the shopping token is stored on a third party computer and is accessible by the buyer and the seller* and to have included terms regarding *warranty information* as taught by Conklin in order to provide a negotiation engine for iterative bargaining that brings together participants with similar interests and further enables the creation of knowledgeable communities of commerce (see at least: Conklin, abstract (lines 1-4), col. 13 lines 58-60).

**Regarding claims 14-21 and 26-33,** claims 14-21 and 26-33 closely parallel claims 1-9 and are thereby rejected for at least the reasons above with regards to claims 1-9.

**Regarding claims 37-38,** claims 37-38 parallel the limitations from claims 1-9 and is thereby rejected for at least the reasons above with regards to claims 1-9.

5. **Claims 10-12, 22-24, 34-36, and 39-41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Albazz in view of Conklin as applied to claims 1-9, 14-21, 26-33, and 37-38, and in further view of Moss et al. (US 20050160014).**

**Regarding claims 10-12, 22-24, 34-36, and 39-41,** Albazz in view of Conklin teaches all of the above as noted but does not expressly teach *wherein the shopping token is used for price protection and price promotion for the good, and to analyze a seller's history by a buyer*. Moss teaches *wherein the shopping token is used for price protection and price promotion for the good* (see at least: 0007, 0032, 0047, Fig. 30-31). Note the price matching includes the retailer's own advertised prices (Fig. 31). Additionally, Moss teaches a *buyer analyzing the history of a seller* by providing a buyer with the ability to view transactions within the last 3 months or since joining the service ("historical price match transactions") to determine the outcome and savings received from each transaction (see at least: 0082, Fig. 4). The Examiner notes that each transaction shows an associated seller and the amount saved by using that seller, thereby providing a *seller history* for the buyer. It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Albazz in view of Conklin to have included *wherein the shopping token is used for price protection and price promotion for the good* as taught by Moss in order to provide a service that helps users find and compare the best prices and promotions available (see at least: Moss, 0006).

**Additionally, regarding the intended use of the shopping token,** the subject matter of a properly construed claim is defined by the terms that limit its scope. It is this subject matter

that must be examined. As a general matter, the grammar and intended meaning of terms used in a claim will dictate whether the language limits the claim scope. Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. (see MPEP 2106[R-5].II.C).

Despite Albazz teaching the aspect of creating a contract and saving the contract as a *shopping token*, a recitation directed to the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art is capable of performing the intended use, then it meets the limitation of the claim. In this case, the invention of Albazz is capable of performing the limitations of the shopping token being “*used for* price protection” (claim 10), being “*used for* price promotion” (claim 11), and “*used by* a potential buyer *to* analyze a seller’s history”.

***Conclusion***

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- US 6125352 discloses a system and method for conducting commerce over a distributed network
- US 20020062322 discloses a system for the automated carrying out of transactions by means of active identity management

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to William J. Allen whose telephone number is (571) 272-1443. The examiner can normally be reached on 8:00 AM to 5:30 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeff A. Smith can be reached on (571) 272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

William J. Allen  
Patent Examiner  
November 28, 2006



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